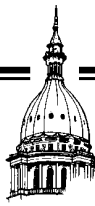




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APPROPRIATIONS IN PART 1 OF ARTICLE VIII

	<u>Gross</u>	<u>GF/GP</u>
FY 2010-11 Year-To-Date	\$3,347,567,400	\$600,492,600
FY 2010-11 Revised Governor's Recommendation	\$3,920,964,500	\$751,458,700
Change from Year-To-Date	\$573,397,100	\$150,966,100
Percentage Change from Year-To-Date	17.1%	25.1%
FY 2011-12 Senate Passed Recommendation*	\$3,355,221,100	\$674,509,500
Change from Year-To-Date	\$7,653,700	\$74,016,900
Percent Change from Year-To-Date	0.2%	12.3%
FY 2011-12 House Passed Recommendation*	\$3,338,777,400	\$672,565,900
Change from Year-To-Date	(\$8,790,000)	\$72,023,300
Percent Change from Year-To-Date	(0.3%)	12.0%
FY 2011-12 Conference Recommendation	\$3,897,242,100	\$724,736,300
Change from Year-To-Date	\$549,674,700	\$124,243,700
Percent Change from Year-To-Date	16.4%	20.7%
FY 2011-12 Enacted	\$3,896,562,000	\$724,736,300
Change from Year-To-Date	\$548,994,600	\$124,243,700
Percent Change from Year-To-Date	16.4%	20.7%

ONE-TIME APPROPRIATIONS

FY 2011-12 Conference/Enacted Recommendation	\$166,250,000	\$136,250,000
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See Individual Highlight Sheet for Department Detail

*Passed prior to the revised Governor's recommendation which transferred many programs to General Government budgets.

Changes from FY 2010-11 Year to Date:Conference Agreement on Items of Difference

1. **Line Item Roll-ups.** The Governor rolled up many line items. The Senate maintained the current unrolled bill structure. The House rolled-up about half of the lines. Conference concurred with the Senate.
2. **Civil Service - 1% Charges.** The Senate deleted and the House retained language that authorized the 1% charges permitted under the Constitution. The Conference deleted. (Sec. 204)
3. **Information Technology (IT) Work Projects.** The House added language to permit IT projects to be designated as work projects by the Department of Technology, Management, and Budget, subject to the work project approval process under Section 451 of the Management and Budget Act. The Conference concurred with the House. (Sec. 207)
4. **Casino Investment.** The Senate retained the prohibition on the use of funds appropriated in Part 1 to purchase ownership interest in a casino. The House deleted. The Conference retained. (Sec. 213)
5. **Travel Restrictions.** The House deleted the annual report on travel and replaced it with a monthly report on travel exceptions. The Conference required quarterly reports. (Sec. 216)
6. **General Fund Restrictions.** The Senate retained a prohibition on using GF appropriations where Federal funds are available. The House deleted. The Conference retained. (Sec. 217)
7. **Limitation on Administering a Committee.** The Senate added a prohibition against using appropriated funds to administer a committee or solicit funds for a committee, as defined by the Michigan Campaign Finance Act, MCL 169.203. The Conference concurred with the Senate. (Sec. 220)
8. **Policy Change Report.** The Senate retained and the House deleted the annual policy change report. The Conference retained. (Sec. 221)
9. **FTE Report.** The Senate retained and the House deleted a quarterly report of State full-time equivalent employees. The Conference deleted the section. (Sec. 230)
10. **Cost of Transparency Requirements.** The Senate retained and the House deleted a \$10,000 limit on the cost of implementing a transparency Internet site. The Conference concurred with the House. (Sec. 231)
11. **FY 2012-13.** The Senate included boilerplate on anticipated appropriations in FY 2012-13 based on FY 2011-12 appropriations adjusted for changes in caseload, Federal fund match rates, economic factors, and available revenue. The House included a listing of anticipated line item appropriations for FY 2012-12. The Conference included boilerplate. (Senate Sec.1201/House Part 1A/Conference Part 2A, Sec 1301)
12. **Hiring Freeze.** The Conference deleted hiring freeze limits and exceptions. (Sec. 205)
13. **Transparency Website.** The Conference added standard language on posting expenditure and vendor data. (Sec. 206)
14. **Budget Stabilization Fund (BSF).** The Conference specified a pay-in to the BSF of \$255.8 million. (Sec. 211)

Date Completed: 7-27-11

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FY 2010-11 Year-to-Date Gross Appropriation	\$73,413,100
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Changes from FY 2010-11 Year-to-Date:

Items Included by the House and Senate

- | | |
|--|-----------|
| 1. Attorney General Salary. The Governor reduced the salary for the Attorney General by (\$3,300) GF/GP to \$112,500, following the recommendation of the State Officers Compensation Commission. The Senate and House concurred. | (3,300) |
| 2. Prosecuting Attorneys Coordination Council. The Governor reduced funding to reflect retirement savings of (\$35,600) GF/GP and a reduction of (\$186,000) in restricted grant funds for training. The Senate and House concurred. | (221,600) |
| 3. Information Technology. The Governor recommended a reduction of (\$98,800) GF/GP in the information technology appropriation. The Senate and House concurred. | (98,800) |
| 4. Economic Adjustments. The Governor recommended economic adjustments of \$2,603,300 of which \$985,200 are funded by GF/GP revenue. The Senate and House concurred. | 2,603,300 |
| 5. Other Changes. The Governor proposed information technology economics of \$4,300 and a reduction of (\$62,500) in restricted fund authority for the State Claims Unit to reflect the level of billings. The Senate concurred and made offsetting restricted fund adjustments to increase spending authority for the Self-insurer's Security Fund. The House concurred. | (58,200) |

Conference Agreement on Items of Difference

- | | |
|---|-------------|
| 6. Attorney General Operations. The Governor recognized early retirement savings of (\$1,151,200) GF/GP and made an additional reduction of (\$142,400) GF/GP. Together these reduce GF/GP appropriations for operations by 5%. The Senate and House concurred. The Conference included an additional \$250,000 GF/GP. | (1,043,600) |
|---|-------------|

Total Changes	\$1,177,800
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FY 2011-12 Enacted Gross Appropriation	\$74,590,900
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Changes from FY 2010-11 Year to Date:Items Included by the House and Senate

1. **Attorney General Responsibilities and Requirements.** The House and Senate concurred on retaining current year language regarding contingency funds (Sec. 301), Attorney General responsibilities (Sec. 302), biennial reports (Sec. 303), representation for State workers' disability cases (Sec. 304), food stamp fraud case reimbursement (Sec. 305), tobacco litigation proceeds (Sec. 306), enforcement revenue carry-forward (Sec. 307), litigation expense reimbursement (Sec. 308), use of prisoner reimbursement funds (Sec. 309), and child support funding (Sec. 310).

Conference Agreement on Items of Difference

2. **Limit Spending for Legal Services.** The Senate deleted and the House retained a prohibition on the Department of Attorney General (AG) from receiving and expending funds in addition to appropriations in Part 1 for legal services provided to State departments, except for specific costs for expert witnesses, court costs, or non-salary litigation expenses. The Conference concurred with the House. (Sec. 312)
3. **Representation of Legislature.** The House added language that requires that upon the request of either the Senate Majority Leader or the Speaker of the House, the AG shall represent either house of the Legislature in any civil action and shall defend Legislators in any legal action arising out of the member's official duties and within the scope of his or her authority. The Conference did not include. (Sec. 313)
4. **Collections under Medicaid False Claims Act.** The Senate appropriated funds collected under the Medicaid False Claims Act for the purposes they were received and permitted the funds to carry forward and be retained up to the amount of the State match for the program. The Conference did not include.(Sec. 314)

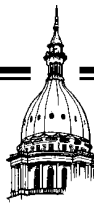
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FY 2010-11 Year-to-Date Gross Appropriation	\$12,778,700
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Changes from FY 2010-11 Year-to-Date:

Items Included by the House and Senate

- | | |
|--|---------|
| 1. Operations Fund Shift, GF/GP to Federal. The Governor recommended a reduction of (\$463,200) GF/GP that would be replaced by \$463,200 of increased Federal funds by completing additional cases pursuant to a contract with the U.S. Department of Housing and Urban Development. These cases are dually filed at the State and Federal levels. The Senate and House concurred. | 0 |
| 2. Economic Adjustments. The Governor recommended economic adjustments of \$451,900. The Senate and House concurred. | 451,900 |
| 3. Other Changes. The Governor also recommended a building occupancy charge increase of \$25,000, workers' compensation increase of \$8,600, information technology economics of \$10,600, IT retirement savings of (\$7,600), and IT building occupancy charges of \$2,100. The Senate and House concurred. | 38,700 |

Conference Agreement on Items of Difference

- | | |
|---|-----------|
| 4. Operations Reduction and Fund Shift. The Governor proposed a reduction to operational funding of (\$1,020,400) consisting of retirement savings of (\$600,400) GF/GP and a reduction of (\$420,000) GF/GP. The Senate concurred. The House included additional reductions of (\$151,700). The Conference added \$200,000 GF/GP to the Governor's recommendation | (820,400) |
| 5. Information Technology (IT). The Governor reduced funding for information technology by (\$150,000) GF/GP. Due to fewer staff, the Department expects to realize savings by reducing the number of computers. The Senate concurred. The House reduced by an additional (\$9,500) GF/GP. The Conference concurred with the Senate. | (150,000) |
| 6. Pacific American Affairs Commission/ Office of Asian Pacific Affairs. The Senate added a \$100 GF/GP placeholder to provide support for this Commission which was transferred from the Department of Energy, Labor, and Economic Growth (DELEG) to Civil Rights by E.O. 2011-4. The House and Conference did not include. | 0 |
| 7. Transferred Programs. The Conference included the Governor's revised recommendation which transferred in programs from the Department of Licensing and Regulatory Affairs pursuant to E.O. 2011-4. The new programs are the Hispanic/Latino Commission of Michigan with 1.0 FTE and \$206,700, and the Commission on Disability Concerns with 7.0 appropriated FTEs and \$1,186,100 of spending authority, and \$38,500 for IT. | 1,431,300 |

Total Changes	\$951,500
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FY 2011-12 Enacted Gross Appropriation	\$13,730,200
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Changes from FY 2010-11 Year to Date:Items Included by the House and Senate

1. **Contingency Funds.** The Governor added authority for appropriating up to \$500,000 in private contingency funds through the legislative transfer process. The Department has applied for private grant funding to support initiatives related to hate crime response and prevention. The Senate and House concurred. (Sec. 401)

Conference Agreement on Items of Difference

2. **Spending from Local and Private Sources.** The Governor added authority to spend local or private funds for staffing costs related to services currently supported by these revenues including training, mediation, and publication costs. The Governor also deleted a report on the amount and uses of local and private funds received and spent by the Department. The Senate retained the report. The House concurred with the Governor. The Conference concurred with the Senate. (Sec. 402)

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FY 2010-11 Year-to-Date Gross Appropriation	\$4,630,800
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Changes from FY 2010-11 Year-to-Date:

Items Included by the House and Senate

- | | |
|---|-----------|
| 1. State Officers Compensation Commission (SOCC) Adjustment. The salaries and expense allowances for the Governor and the Lt. Governor were further reduced to comply with the March 2009 SOCC decision. The Senate and House concurred with the Governor. | (19,400) |
| 2. Non-SOCC Reduction. The Governor, Senate and House reduced the appropriation for the Executive Office by \$212,200 (or 5%) to save additional GF/GP dollars. | (212,200) |

Total Changes	(\$231,600)
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FY 2011-12 Enacted Gross Appropriation	\$4,399,200
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Changes from FY 2010-11 Year to Date:Items Included by the Senate and House

1. There previously were no boilerplate sections for the Executive Office. The Governor added one general section listing the total State spending from State resources and the payments to local units of government. Senate did not include this section. (Sec. 9-201)

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FY 2010-11 Year-to-Date Gross Appropriation	\$117,330,500
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Changes from FY 2010-11 Year-to-Date:

Items Included by the House and Senate

- | | |
|---|-------------|
| 1. Senate Reductions. The Governor, Senate and House reduced the following Senate appropriations: Senate (\$905,500 or 3.5%); Senate IT (\$46,400 or 2.0%); and Senate Fiscal Agency (\$94,100 or 3.5%). | (1,046,000) |
| 2. House Reductions. The Governor, Senate and House reduced the following House appropriations: House (\$1,153,300 or 2.9%); House IT (\$37,500 or 2.1%); and House Fiscal Agency (\$94,100 or 3.5%). | (1,284,900) |
| 3. Other Legislative Changes. The Governor, Senate and House reduced two other legislative line items: Legislative Council (\$396,600 or 4.7%); and Legislative Retirement (\$164,400). The Cora Anderson House Office Building line was increased by \$871,000 to realize lease-cost savings. | 330,000 |
| 4. Interdepartmental Grant (IDG) Credits. The Governor, Senate and House moved boilerplate language (amounting to \$1.7 million) for the Legislative Auditor General to a line item that allows spending in excess of appropriations due to higher than estimated number of audits completed. | 1,700,000 |
| 5. Unfunded IDG. The Governor, Senate and House removed funding totaling \$500,000 from the Legislative Auditor General for an unfunded IDG from the Michigan Department of Corrections due to a Governor's veto for the FY 2010-11 enacted budget. | (500,000) |
| 6. Target Reduction. The Governor, Senate and House reduced funding by \$558,000 (or 5%) in the Field Operations line item for the Legislative Auditor General. | (558,000) |

Total Changes	(\$1,358,900)
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FY 2011-12 Enacted Gross Appropriation	\$115,971,600
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Changes from FY 2010-11 Year to Date:Items Included by the House and Senate

1. **Statewide Single Audit.** The Governor added new language requiring a report, by December 31, 2011, regarding the feasibility of converting to a statewide single audit. (Sec. 12-405) The Senate and House retained a revised version of this language. (Sec. 624)

Conference Agreement on Items of Difference

2. **Legislative Auditor General Economics.** The Senate and House added new language allowing the Legislative Auditor General's Office to use up to \$905,000 in unexpended and unencumbered funds that may lapse at the end of FY 2010-11 to pay for economic cost increases. The Senate included language stating that any unexpended funds shall lapse to the General Fund and that all mandated audits must still be completed. The House did not include this language. The ENACTED concurred with the Senate. (Sec. 625)

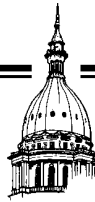
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FY 2010-11 Year-to-Date Gross Appropriation	\$213,520,400
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Changes from FY 2010-11 Year-to-Date:

Items Included by the House and Senate

- | | |
|---|-------------|
| 1. State Officers Compensation Commission (SOCC) Adjustment. The salaries and expense allowances for the Secretary of State were reduced by \$3,300 to comply with the March 2009 SOCC decision. Senate and House concurred with Governor. | (3,300) |
| 2. Early Retirement Savings. The Governor, Senate, and House realized administrative savings totaling \$621,300 due to early retirements. | (621,300) |
| 3. Governor's Target Reduction. Several line items in the budget were reduced to achieve an overall GF/GP savings of \$2.1 million. Savings realized from efficiencies in operations in several line items include: Regulatory Services (\$494,000); Branch Operations (\$484,200); Central Operations (\$558,800); Dept. Services (\$460,000); and Election Administration (\$103,000). The Senate and House concurred with the Governor. | (2,100,000) |
| 4. Economic Adjustments. The Department's economic adjustments totaled \$980,600 while the economic adjustment for Information Technology totaled \$108,600. The Senate and House concurred with the Governor. | 1,089,200 |

Total Changes	(\$1,635,400)
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FY 2011-12 Enacted Gross Appropriation	\$211,885,000
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Changes from FY 2010-11 Year to Date:Items Included by the House and Senate

1. **Branch Office Closings.** At least 180 days prior to the announcement of Secretary of State branch office closings or consolidations, or 60 days prior to relocating a branch office, the Department of State shall inform members of the Senate and House of Representatives Standing Committees on Appropriations and Legislators who represent affected areas regarding the details of the proposal. The Governor eliminated this section. The Senate and House retained this section. (Sec. 714)
2. **Guidelines for Branch Office Placement.** Provides guidelines for the placement of branch offices. The Department of State shall: avoid leasing space on greenfield sites; locate branch offices in urban areas to encourage public investment in urban areas; locate offices at locations consistent with local planning and zoning laws; and whenever possible locate branch offices in urban areas. Governor: removed language. Senate and House: Concurred with Governor.

Conference Agreement on Items of Difference

3. **Motorcycle Safety Education Program.** Language continuing the Motorcycle Safety Education Program in the same manner as was provided by the Department of Education and the listing of revenue sources for the program were removed by the Governor and House. The Senate retained this section. The Conference Report concurred with the House. (Sec. 716)
4. **Buena Vista Branch Office.** Requires the Department to maintain a full service branch office in Buena Vista Township. The Governor and House removed this section. The Senate retained this section. The Conference Report concurred with the House. (Sec. 718)
5. **General Fund Expenditures.** Requires the Department to use Restricted Funds before using General Fund dollars. The Governor and House removed this section. The Senate retained this section. The Conference Report concurred with the Senate. (Sec. 719)
6. **Deletions.** In keeping with the condensed structure of the Governor's budget, the following current-year language sections and/or subsections were not included: 705(5), 706, 716b, 716c, and 717(3). The House concurred with the Governor. The majority of these sections required the Department to provide either reports or notifications to the Legislature. The Senate retained Sections 705(5), 716b, and 717(3). The Conference Report concurred with the Senate.

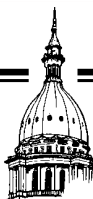
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FY 2010-11 Year-to-Date Gross Appropriation	\$974,362,200
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Changes from FY 2010-11 Year-to-Date:

Items Included by the House and Senate

- | | |
|---|-------------|
| 1. State Building Authority Rent Adjustments. Governor, Senate, and House made adjustments of \$15.0 million for State financed building projects. | 15,000,000 |
| 2. Accounting Consolidation. Governor, Senate, and House increased funding and 14.0 FTEs to finalize the consolidation of accounting services resulting from the previous merger of Civil Service and DMB. | 1,593,200 |
| 3. Information Technology (IT) - Alignment of IDG Funding. The IT portion of the budget aligned its IDG funding with enacted FY 2011 appropriations for all departments. | 7,907,900 |
| 4. Gubernatorial Transition. One-time funding provided in FY 2011 for Governor transition costs was eliminated by the Governor, Senate, and House. | (1,500,000) |
| 5. Building Operations. Consolidation of functions and reduction in funded FTE positions resulted in savings of \$1.3 million for FY 2011-12. Senate and House concurred with Governor. | (1,250,000) |
| 6. Early Retirement Savings. Administrative savings due to early retirements: Management and Budget saved \$1.5 million, Civil Service Commission saved \$1.6 million, and IT saved \$2.8 million. | (5,941,200) |
| 7. Professional Development. Governor, Senate, and House eliminated all remaining funding of \$225,000 for professional development activities for State employees. | (225,000) |
| 8. Civil Service Commission Adjustment. Civil Service Commission accounting costs saved as a result of a Department of Corrections facility closure in 2010. | 277,800 |
| 9. Governor's Target Reduction. Several line items were reduced to achieve an overall GF/GP savings. Management and Budget reduced costs by \$3.1 million, Civil Service Commission reduced costs by \$2.0 million, and IT reduced costs by \$1.3 million. | (6,394,300) |
| 10. IT Miscellaneous Adjustments. Items related to IT for several departments were adjusted. Positive adjustments totaled \$13.6 million (the largest being \$8.9 million for DCH's HIPPA project) while negative adjustments totaled \$1.5 million. | 12,079,400 |
| 11. Gov. Revised Rec. Senate and House included additional funding from a revised Governor's Rec. for funds transferred to the Dept. due to E.O. 2011-4, the restructuring of MDLARA. | 7,542,600 |
| 12. Economic Adjustments. Management and Budget's economic adjustments totaled \$10,917,100 while the economic adjustment for IT totaled \$314,600. | 11,231,700 |

Conference Agreement on Items of Difference

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|--|-----------|
| 13. Technology Innovations Fund. Governor provided new GF/GP funding of \$5.0 million for competitive grants for innovations in technology. Senate and House did not include. Conference included \$2.5 million. | 2,500,000 |
| 14. House GF/GP Reductions. The House included reductions in GF/GP funding to several line items. Management and Budget line items were reduced by a total of \$512,200 while Civil Service Commission line items were reduced by \$332,200. Conference did not include these reductions. | 0 |
| 15. FY 2011-12 One-Time Appropriations. The Conference provided \$1.25 million in funding for asbestos removal from the former State Police Headquarters at MSU and \$60.0 million for other post-employment benefits. | |

Total Changes	\$42,822,100
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FY 2011-12 Enacted Gross Appropriation	\$1,017,184,300
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Changes from FY 2010-11 Year to Date:Items Included by the House and Senate

1. **Computer Contract Adjustments.** Requires notification to the House and Senate Appropriation Committee Chairs and General Government Subcommittee Committee Chairs on computer contract revisions that increase or decrease current contracts by more than \$500,000. Governor: Removed language. Senate and House: Retained current language. (Sec. 809)
2. **Unclassified Salaries.** Requires the Department to compile a report by January 1 pertaining to the salaries of unclassified employees and gubernatorial appointees. Governor: Removed language. Senate and House: Retained current language. (Sec. 822)

Conference Agreement on Items of Difference

3. **Consolidated Internet Auction Services.** The Senate added new language requiring DTMB to provide consolidated internet auction services through the State's contractors for all local units of government. The House did not include this change. Conference concurred with Senate. (Sec. 802)
4. **Remanufactured Furniture.** The Senate added new language requiring the Department to spend no more than \$1.0 million annually on the purchase of new furniture and required the Department to purchase remanufactured or refurbished furniture according to the Department's statewide contract. The House did not include this change. Conference concurred with Senate but removed the \$1.0 million limitation. (Sec. 803(5))
5. **Motor Vehicle Fleet.**
(3) States legislative intent that the DMB has the authority to determine the appropriateness of vehicle assignments. The Governor removed subsection 3. The Senate concurred with the Governor. The House retained all subsections and added subsection (6) regarding the use of remanufactured parts for repairs. Conference deleted subsection 3 and added subsection 5 regarding remanufactured parts. (Sec. 813(5))
6. **Remanufactured Auto Parts.** The Senate added new language requiring the Department to use remanufactured parts whenever possible for the repair and maintenance of the State's fleet of motor vehicles, excluding the fleet for State Police. The House includes similar language in Sec 813(6) but does not exempt State Police. Conference concurs with Senate but moves language to Sec. 813(5).
7. **Contracting.** The Governor removed current year language (Secs. 814, 815, 816, & 817) regarding adoption of policies and procedures necessary for compliance with Section 261 of the Management and Budget Act (1984 PA 431). The Senate removed Sections 814 and 816 and revised Section 815 to a more condensed version. The House retained Sections 814, 816, and 817. Conference removed Sections 814, 815, and 816 and retained Section 817.
8. **Privatization of State Lottery Administration.** The Senate added new language requiring the Department to submit a report to the Legislature regarding the feasibility of privatizing the administration of the State Lottery. The House did not include this change. Conference concurred with Senate. (Sec. 822a)
9. **Contract Reporting Requirement.** The Governor removed the reporting requirement for any follow-on contracts or change orders entered into by the Department greater than \$25,000. Senate retained the report. House retained the report and changed the amount to \$50,000. Conference concurred with House. (Sec. 830)
10. **Asbestos Removal.** The Senate added new language providing up to \$1.5 million for the costs associated with the removal of asbestos from the former State Police Headquarters. The House did not include this change. Conference did not include this language but did include one-time funding in Section 1201.
11. **Health Savings Accounts.** The Senate added new language requiring the Civil Service Commission to submit a report by March 31, 2012, regarding the cost savings or increase of requiring all public employees and elected officials in the State to enroll in a health savings account benefit plan. The House did not include this change. Conference concurred with House.
12. **Office of Great Workplace Development.** Language prohibits use of any other funds for this office. The Governor and Senate removed section. The House retained the section. Conference concurred with Senate.
13. **Deletions.** In keeping with the condensed structure of the Governor's budget, the following current-year language sections and/or subsections were not included: 823(4), 827(4) however, carryforward language was retained, 828, 829, 830, 832, 840(4), 843, 850(1), 860, 861, 862, 865, 870, 871, 872, 873, 874, 875, and 876. The majority of these sections required the Department to provide either reports or notifications to the Legislature. The Senate concurred with the Governor in removing Sections 860, 861, 862, 865, 870, 871, 872, 873, 874, 875, and 876. The House retained the majority of these sections but concurred with the Governor in removing Sections 823(4), 827(4), 829, and 876. The Conference concurred with the House and included the retention of Sections 823(4), 827(4), and 829.



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FY 2010-11 Year-to-Date Gross Appropriation	\$1,951,331,700
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Changes from FY 2010-11 Year-to-Date:Items Included by the House and Senate

- | | |
|---|-------------|
| 1. Debt Service. The Governor increased debt service appropriations for general obligation environmental bond issues by \$83,295,200 GF/GP. The increase reflects the current payment structure including the impact of prior year debt restructuring. The Senate and House concurred. | 83,295,200 |
| 2. Presidential Primary. The Governor provided \$10.0 million GF/GP for the 2012 presidential primary. The Senate and House concurred. | 10,000,000 |
| 3. Business Property Tax Appeal. The Governor reduced the program from \$900,000 GF/GP to \$300,000 GF/GP. The Senate and House concurred. | (600,000) |
| 4. Unclaimed Property. The Governor increased funding by \$700,000 and 5.0 FTEs for on-going administrative costs. The Senate and House concurred. | 700,000 |
| 5. Senior Citizens Cooperative Housing Tax Exemption. The Governor adjusted funding based on the projected cost of the program, realizing savings of (\$2,500,000) GF/GP. The Senate and House concurred. | (2,500,000) |
| 6. Economic Adjustments. Treasury economics (excluding MSF) total \$9,168,600. | 9,168,600 |

Conference Agreement on Items of Difference

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| 7. Tax Plan Implementation. Conference renamed the Michigan Business Tax line item as Tax Plan Implementation and added \$5,327,600 GF/GP. | 5,327,600 |
| 8. Payments in Lieu of Taxes (PILT). The Governor proposed a 15% reduction consisting of (\$351,500) from Commercial Forest Reserve, (\$580,800) from Purchased Lands, and (\$934,100) from Swamp and Tax Reverted Lands. This would save (\$1,576,000) GF/GP and (\$290,400) State Restricted funds. The Senate concurred. The House made further reductions of (\$239,000) resulting in a 17.3% decrease. Conference concurred with the Senate | (1,866,400) |
| 9. Administrative Reductions. The Governor reduced all GF/GP-funded administrative lines. Savings totaled (\$905,500) GF/GP. The Senate concurred. The House made additional reductions of (\$749,400). Conference concurred with the Senate. | (905,500) |
| 10. Tobacco Tax Enforcement. The Senate added \$4,500,000 in restricted revenue for additional tobacco tax enforcement. The House did not include. Conference funded at \$3,000,000 from tobacco tax revenue. The Governor stated that the related boilerplate in Sec. 943 is unenforceable. | 3,000,000 |
| 11. Transferred Programs. The Conference included the Governor's revised recommendation to implement E.O. 2011-4 by transferring the Michigan State Housing Development Authority and the Land Bank Fast Track Authority from Treasury to MSF. | (228,954,100) |
| 12. Revenue Sharing. Changes total (\$100,412,200). Revenue sharing highlight sheet is attached. | (100,412,200) |
| 13. Michigan Strategic Fund (MSF). Programs transferred in. MSF highlight sheet is attached. | 742,972,700 |
| 14. Other Changes. Information technology economics, \$363,400; early retirement savings, (\$1,022,400); reduction in excess restricted fund authority in PILT, (\$513,000); workers' compensation, building occupancy charges, and rent adjustments, (\$75,000); Land Bank federal grants, \$1,000,000; removed one-time supplemental funding, (\$11,600,000), added 1.0 FTE Indian gaming auditor, \$90,200; and made fund source adjustments. Senate adjusted Business Property Tax Appeal economics, (\$50,400). The House included all except Business Property Tax Appeal economics. Conference concurred with House. | (11,756,800) |

Total Changes	\$507,469,100
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FY 2011-12 Enacted Gross Appropriation	\$2,458,800,800
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Changes from FY 2010-11 Year to Date:Conference Agreement on Items of Difference

1. **Notification of Bond Refinancing or Restructuring.** The Senate required that Treasury notify the appropriations committees 15 days prior to any refinancing or restructuring and provide information on changes in debt service schedules and the present value costs or savings. The House did not include. Conference required notification within 30 days after refinancing or restructuring. (Sec. 902a)
2. **Tax Collection Contracts.** The Senate retained a report on the cost of contracts with private collection agencies. The Senate increased the maximum charge for collection of contracts on defaulted student loans from 23% to 24.36%. The House deleted the report and maintained the fee cap at 23%. Conference concurred with the Senate. (Sec. 903)
3. **Michigan Transportation Fund Costs of Collection.** The Senate added requirements that these costs be determined by proration for FY 2011-12 only and required the Department to provide an analyses by April 1, 2012 of the actual costs of tax administration in order to justify continuation of the proration approach. The House deleted the report on costs of collections. The Conference concurred with the Senate. (Sec. 922)
4. **Public Private Partnership Investment Fund.** The Governor deleted provisions that prohibited the fund and appropriations in Part 1 from supporting any work related to the Detroit River International Crossing and deleted the annual report requirements. The Senate retained and modified to apply to DRIC or any successor project unless it is approved by the Legislature and signed into law, and required Treasury to fund the line by legislative transfer from an existing line, if necessary. The House retained current year prohibitions. The Conference concurred with the Senate. (Sec. 925 and 925a)
5. **Tobacco Tax Enforcement.** The Senate directed the use of the tobacco tax enforcement appropriation for a new stamp indicia and reimbursement of licensed tax stamp agents for costs associated with the new stamp, including machines and scanners approved by Treasury. The House did not include. The Conference concurred with the Senate. In his signing message, the Governor stated that this section is unenforceable. (Sec. 943)
6. **Assessment Administration.** The Senate deleted and the House retained permissive language on the review of local assessment practices. The Conference concurred with the House. (Sec. 945)
7. **Beverage Container Redemption Antifraud Program.** The Senate directed the use of remaining funds to counties north of the border counties. The House deleted. The Conference concurred with the House. (Sec. 949)
8. **Lottery Promotion Limitation.** The Senate deleted the prohibition against marketing the lottery to persons under 18. The House retained. The Conference concurred with the Senate. (Sec. 961)
9. **Lottery Privatization Report.** The House added a requirement for the Bureau of Lottery to report by July 1, 2012 on costs and savings from privatizing lottery administration. The Senate required a similar report from the Department of Technology, Management and Budget by April 1, 2012. Conference concurred with the Senate. (Sec. 822a)
10. **Gaming - Horse Racing.** The Senate reduced the reward limit for information helping obtain convictions for crimes involving the racing industry from \$5,800 to \$5,000 and updated for 2012 requirements on the contingent distribution of the purse pool if no race meets are held. The House maintained the current reward amount and deleted the section on distribution of the purse pool. The Conference concurred with the Senate on reward amount and deleted contingent distribution of the purse pool which duplicates language in the Agriculture budget. (Sec. 977)
11. **Michigan Strategic Fund Boilerplate.** See separate highlight sheet.
12. **Revenue Sharing Boilerplate.** See separate highlight sheet.

Date Completed: 6-30-11

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FY 2010-11 Year-to-Date Gross Appropriation	\$1,059,391,500
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Changes from FY 2010-11 Year-to-Date:

Items Included by the House and Senate

- | | |
|--|---------------|
| <p>1. Constitutional Revenue Sharing. The Governor estimated that revenue sharing payments to cities, villages, and townships (CVTs) pursuant to the Constitution will total \$658,979,300 in FY 2011-12, an increase of \$15,232,400 from the January consensus estimate for FY 2010-11 payments. Constitutional revenue sharing totals 15% of sales tax collections at a 4% rate. These funds are distributed to CVTs in an equal amount per capita, adjusted so that institutional populations are counted at 50%. FY 2010-11 payments will be adjusted based on the new population data from the 2010 census, causing changes in local unit payments. The Senate and House concurred.</p> | 15,232,400 |
| <p>2. Statutory Revenue Sharing for CVTs. The Governor eliminated this program for CVTs. Prior year appropriation reductions eliminated statutory revenue sharing payments to 1,240 CVTs for FY 2010-11. The year-to-date estimate for the cost of this program is \$300,903,900. Since FY 2007-08, boilerplate formulas have determined payments. The Senate and House concurred.</p> | (300,903,900) |
| <p>3. County Revenue Sharing. The Governor proposed funding revenue sharing payments to counties at \$100,000,000 in FY 2011-12, an amount that is (\$51,800,000) or (34.1%) under the amount required by the statutory formula. Under current law, total payments to counties would increase in FY 2011-12 due to additional counties exhausting their revenue sharing reserve funds and re-entering the county revenue sharing program and other counties receiving full year funding under the program. When compared to FY 2010-11, the Governor's proposal is (\$14,740,700) under the year-to-date appropriation. The Senate and House concurred on the amount of funding. The Conference added one-time funding which is listed below.</p> | (14,740,700) |
| <p>4. Economic Vitality Incentive Program (EVIP). The Governor recommended \$195.0 million for a revenue sharing program for CVTs with eligibility based on adoption of best practices. The remaining \$5.0 million would be for grants to CVTs and counties for consolidation of services. The Senate and House concurred on the funding amount. The Conference added one-time funding which is listed below.</p> | 200,000,000 |

Conference Agreement on Items of Difference

- 5. FY 2011-12 One-Time Appropriations.** The Conference provided additional one-time funding of \$30.0 million consisting of \$15.0 million for the EVIP and \$15.00 million for county revenue sharing.

Total Changes	(\$100,412,200)
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FY 2011-12 Enacted Gross Appropriation	\$958,979,300
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Changes from FY 2010-11 Year to Date:Conference Agreement on Items of Difference

1. **Economic Vitality Incentive Program.** The Senate's maximum distribution under this program to CVTs shall not exceed the lesser of 81.88% of the combined statutory and constitutional revenue sharing received in FY 2010-11 or the amount determined by applying a percentage determined by dividing the sum of all payments under constitutional revenue sharing in FY 2011-12 and statutory revenue sharing by \$853,979,300 and then subtracting 0.1812. A CVT with a calculated amount less than \$6,000 would not be eligible. An eligible CVT could receive one-third of their total payment for meeting each of the following criteria: Creating a performance dashboard and citizen's guide to its finances. Creating a cooperation, collaboration, and consolidation plan. Developing a compensation plan that the CVT intends to implement with any new, modified, or extended contract. The compensation plan would be required to indicate intent to:

- Limit retirement plan costs to 10% of wages and salaries of employees in the plan.
- Require that any pensions be paid based on a final average compensation calculated using at least 3 consecutive years of salary; that limited the amount of paid leave time, vacation time, and overtime hours used to calculated final average compensation to no more than 240 hours; and included other measures determined by the CVT.
- If a health care plan is offered, state intent that employees pay at least 20% of the cost.

Undistributed funds would be deposited in the Budget Stabilization Fund.

Under the House proposal, each CVT would be eligible to receive up to 62.96% of its statutory revenue sharing payment in FY 2009-10. The distribution would be in three parts: one-third based on publication of a guide to local finances and dashboard similar to the Senate proposal and one-third for a consolidation plan similar to the Senate proposal, however, a one-sixth payment would be available in each category for later completion of the projects. The House required that if a retirement plan is offered, the compensation plan should indicate intent to place new employees in a plan that is, at a minimum, cost competitive with the retirement plan offered to new State classified employees. Employees on a defined benefit plan would have a limited multiplier of up to 1.5 for those eligible for social security benefits and up to 2.0 for those ineligible for social security. CVTs would be required to indicate intent to use a multiyear income average in the calculation of pensions, and to limit the inclusion of paid leave, vacation time or overtime hours used to determine final average compensation. Health care costs must be cost competitive with the new State preferred provider organization health plan and HMO plan for new State classified hires after April 1, 2010. Undistributed funds would be prorated and paid to recipient CVTs.

Conference based maximum payments to CVTs on FY 2009-10 statutory revenue sharing amounts. Eligible CVTs must have a FY 2009-10 statutory payment over \$4,500. FY 2011-12 maximum payments would be 67.837363% of the FY 2009-10 statutory payment. CVTs would receive 1/3 of the total payment for complying with each of the three categories: citizen's guide & dashboard; cooperation & consolidation plan; and compensation plan. The compensation plan would require intent to implement a plan that caps employer contributions for retirement at 10% of salary (or 16.2% if not eligible for social security); limits healthcare costs for new employees by requiring a 20% employee contribution toward the premium or a plan that is cost-competitive with the State preferred provider plan; sets parameters on the calculation of final average compensation; and limits retirement plan multipliers for defined benefit plans for employees eligible for social security to 1.5% (or 2.25% if no retirement health care is provided). Limits the multiple for employees not eligible for social security to 2.25% (or 3.0% if no retiree health care is provided). CVTs would have to certify compliance and submit copies of plans to Treasury. Any unused balances would go into a work project to be used (in addition to the \$5.0 million appropriated) for consolidation grants to CVTs and counties based on a grant process determined by the Department of Treasury. Including one-time funds, appropriations for this incentive program total \$210.0 million in FY 2011-12. (Sec. 951)

2. **County Revenue Sharing.** Conference specified that the one-time funding shall be spent in accordance with the Glenn Steil Revenue Sharing Act. Including one-time funds, appropriations for county revenue sharing total \$115.0 million in FY 2011-12. (Sec. 955)

Date Completed: 6-30-11

Fiscal Analyst: Elizabeth Pratt

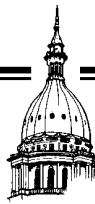


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FY 2010-11 Year-to-Date Gross Appropriation	\$165,846,200
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Changes from FY 2010-11 Year-to-Date:Items Included by the House and Senate

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|--|--------------|
| 1. Innovation and Entrepreneurship. The Governor proposed using \$25.0 million from the 21 st Century Jobs Trust Fund for this new program. The Senate and House concurred. | 25,000,000 |
| 2. Pure Michigan. The Governor recommended funding tourism promotion at \$25.0 million solely from the 21 st Century Jobs Trust Fund. The Senate and House concurred. | 25,000,000 |
| 3. Quality of Place and Talent Enhancement. The Governor proposed using \$5.0 million GF/GP for a program to retain young adults in Michigan. The Senate and House did not include. | 0 |
| 4. Jobs for Michigan Investment Program: 21st Century Jobs Fund. The Governor eliminated this line item for 21 st Century programs and redirected the funds to Pure Michigan and to fund proposed new programs for Business Attraction and Economic Gardening and Innovation and Entrepreneurship. The Senate and House concurred. | (75,000,000) |
| 5. Economic Adjustments. The Governor recommended economics of \$968,900 Gross including \$881,000 GF/GP. | 968,900 |
| 6. Other Changes. The Governor, Senate and House adjusted revenue estimates for private revenue and an IDG, removed one-time funding for the Detroit Institute for the Arts of (\$10,000,000), recognized early retirement savings of (\$543,000), reduced spending authority for Federal funds by (\$6,000,000), and eliminated (\$5,402,800) GF/GP for promotion. | (22,489,400) |

Conference Agreement on Items of Difference

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| 7. Business Attraction and Economic Gardening. The Governor proposed replacing business tax credits with this new incentive program funded by \$25.0 million GF/GP and \$25.0 million from the 21 st Century Jobs Trust Fund. The Senate and House funded at \$25.0 million from 21 st Century Jobs Trust Fund. Conference added \$25.0 million GF/GP and one-time funding described below. | 50,000,000 |
| 8. Film Incentive Program. The Governor recommended using \$25.0 million GF/GP to provide incentives for the film industry and replace the existing Michigan Film Tax Credit. Currently the cost of the Michigan Film Tax Credit is not appropriated. The Senate funded at \$10.0 million from proposed Tobacco Tax Enhanced Enforcement Revenue. The House did not include. The Conference funded as a one-time item described below. | 0 |
| 9. Michigan State Housing Development Authority (MSHDA). Conference transferred MSHDA funding and 289.0 FTEs from Treasury to MSF (within Treasury) pursuant to E.O. 2011-4. MSHDA remains in a separate unit in the bill. | 225,973,100 |
| 10. Workforce Development Agency. Conference transferred to MSF funding and 358.0 FTEs for programs including Welfare-to-Work, Workforce Investment Act, post-secondary education, adult education, and GEAR-UP pursuant to E.O. 2011-4. | 505,765,800 |
| 11. Other Transferred Programs. Conference included funding and 18.0 FTEs for Land Bank Fast Track Authority and Bureau of Energy Assistance pursuant to E.O. 2011-4. | 8,434,400 |
| 12. Pre-college Engineering Programs. Conference made a boilerplate allocation of \$680,100 from an unspecified appropriation to these programs in Detroit and Grand Rapids to increase student involvement in Science, Math, and Engineering. <i>The Governor vetoed this item. The veto reduced the line item for Workforce Training Programs by (\$680,100) Federal.</i> | (680,100) |
| 13. FY 2011-12 One-Time Appropriations. Conference included \$50.00 million GF/GP for Business Attraction and Economic Gardening and \$25.0 million GF/GP for a Film Incentive Program. | |

Total Changes	\$742,972,700
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FY 2011-12 Enacted Gross Appropriation	\$908,818,900
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Changes from FY 2010-11 Year to Date:Conference Agreement on Items of Difference

1. **21st Century Jobs Trust Fund Reappropriation of Work Project.** The House included the Governor's proposed reappropriation of up to \$75.0 million remaining from the \$75.0 million appropriated in FY 2007-08 for the Jobs for Michigan Investment Program: 21st Century Jobs Fund. The funds would be used for the original purposes and remain available until September 30, 2016. The Senate did not include. Conference limited work project to \$5.5 million, the estimated amount of funds remaining from the FY 2007-08 appropriation. (Sec. 1021)
2. **Small Business Innovation Research/Small Business Technology Transfer Program.** The Senate allocated not less than \$1.0 million from the Innovation and Entrepreneurship line to support this matching grant program. The House did not include. Conference concurred with the House. (Sec. 1024)
3. **Business Attraction and Economic Gardening.** The House required that the MSF Board grant 85% of the \$25.0 million appropriated for Business Attraction and Economic Gardening for brownfield redevelopment incentives and historic preservation incentives. The Senate did not include. The Conference required at least \$20.0 million of the \$100.0 million appropriated to be used for brownfields and historic preservation. (Sec. 1024)
4. **Spending Plan Report.** The Senate required the MSF to report by January 15, 2012 on the spending plan for the new line items for innovation and entrepreneurship and business attraction and economic gardening. The House did not include. The Conference required the report by April 15, 2012. (Sec. 1031)
5. **Business Incubators.** The Senate funded six incubators or accelerators in the following localities: Houghton, Kent, Macomb, Oakland, and Washtenaw counties and Detroit. Recipients would receive at least \$500,000 and no more than \$2.0 million. The program would be allocated from the line item for Innovation and Entrepreneurship. The House did not include. The Conference added to the Senate plan an incubator in Midland County that is a satellite site of an incubator in Isabella County.(Sec. 1034)
6. **Pre-College Engineering Program.** The Conference directed MSF to allocate an amount not to exceed \$680,100 from appropriations in Part 1 for the Detroit and Grand Rapids Pre-College Engineering Program. (Sec. 1053) ***The Governor vetoed this section.***
7. **Transferred Boilerplate.** The Conference included boilerplate related to Career Development, Workforce Development, and MSHDA that was transferred from the budget for Licensing and Regulatory Affairs. Conference retained the No Worker Left Behind Report (Sec. 1068), the Education Advisory Committees (Sec. 1061), House language on services to veterans (Sec. 1062), report on Federal carry-forward balances (Sec. 1063), and allocations for two job training programs (Sec. 1064).
8. **Michigan Works! Agencies (MWAs) Allocations to Libraries.** Current year language allowed MWAs to allocate funds to libraries that serve as access points, service centers, or local partners. House retained. Senate included placeholder allocation of \$100. Conference required that a portion of MWA funds be utilized for services provided by libraries. (Sec. 1065)

Date Completed: 7-27-11

Fiscal Analyst: Elizabeth Pratt